

**RIPPOWAM CORPORATION
REGULAR BOARD MEETING**

May 25, 2022

6:45 PM

Agenda

TO: Richard Ostuw
Ronice Latta
Bianca Shinn-Desras

- a. Call to Order
- b. Approval of the Board Meeting Minutes for April 27, 2022
- c. Update on Planning for Oak Park Redevelopment
- d. Development Update
- e. Other Business
- f. Adjourn

Bianca Shinn-Desras

THE ABOVE BEING ALL OF THE DIRECTORS
OF RIPPOWAM CORPORATION

RIPPOWAM CORP. DEVELOPMENT UPDATE
MAY 2022

Corona Virus Actions: We are coordinating closely with COC and aligning actions taken at the sites managed by Stone Harbour with those policies and practices implemented by COC. We provide updates on changes in State and federal policies and actions and assist operations staff in resolving issues with UniteCT applications.

The Governor and Legislature have extended certain eviction prevention provisions until June 30, 2022. These include providing thirty-day notice of any eviction action, and a stay of any pending eviction action if an application for rental assistance through UniteCT is filed, pending the disposition of such application. UniteCT has stopped accepting applications but will fund completed applications currently in the pipeline.

IN CONSTRUCTION

Lawnhill Terrace 4: All demolition and asbestos clearance has been completed on the site. Building 17 is awaiting inspection for MEP work and siding. Window and partial drywall (upstairs) installation is scheduled to begin next week. Building 18 also has rough-in inspections next week with windows, siding and drywall to all begin within two weeks. Building 19's Tyvek has been completed, with the roof set to be finished this week. Building 20's Tyvek is in process, with roof scheduled for completion next week. Downspout drains are in process. Building 21 is complete for framing, with rough-ins starting next week. Overall progress is good. Work continues to get the Utility companies fully engaged and their easements mapped. Building 19 appears to have some ongoing water incursion due to the hill behind. A drainage solution is currently being planned by the engineers for pricing. We anticipate a 12-month project period with an additional two to four months to obtain final City approvals.

Rippowam Manor: Renovations are complete. Leasing of remaining vacant units continues. Final City inspections have been completed. We await the issuance of a final certificate of occupancy, which has been delayed for many weeks with no explanation.

The limited partner, (LP), who has held an 80% ownership interest for many years, has very recently expressed an interest in selling its interest and has begun seeking purchase candidates. We are also making inquiries regarding potential new limited partners. The partnership agreement gives the LP the right to force a sale of the property if a buyer for its interest cannot be found on acceptable terms. We hope it will not be necessary, but we are investigating financing options if we are forced to purchase the LP interest, as well as other possible courses of action. The LP has asked that the supplemental loan we have been pursuing be put on hold while they seek to market their partnership interest.

Glenbrook Manor: All unit renovations are complete, including community room furniture which was recently delivered. Leasing continues to fill units that become vacant during the renovation period. The one resident who was in a facility temporarily has returned to a renovated unit. Monitoring of new building systems and installation of landscaping is under way, to ensure that any defects are identified during the applicable warranty periods.

IN PLANNING STAGE

Oak Park: The Planning Board unanimously sent a very favorable recommendation to the Zoning Board for the General Design Plan application. The Zoning Board has scheduled a public hearing for May 23. Two meetings with Oak Park residents were held, on April 28 and May 18. A 9% tax credit application will be submitted in January 2023. Updates will be presented to the Board as the process advances. Emergency repairs to the existing buildings will be performed as needed to ensure resident health and safety until redevelopment is completed.

Clinton Manor: During a recent high wind event, a portion of the exterior building siding detached and fell to the ground. After examination by an architect, engineer, and siding consultant, it has been determined that the siding on the two sides of the building that was not replaced during major renovations several years ago should now be replaced. Our lender, Bankwell, has approved our refinancing application, and work will proceed following the procurement of a contractor through a formal procurement process and the completion of the refinancing of the existing tax-exempt bond loan and a supplemental loan to fund the repairs. Preparations are under way to prepare new tax-exempt bond documents and close the refinancing in early 2022 and delay release of the additional \$1.5 million for disbursement when repairs commence. Closing of financing is expected at the end of May.

Quintard Manor: Planning is under way for the installation of a second elevator. The existing elevator is older and needs frequent servicing. In order to avoid using existing residential space for the new elevator, we will utilize the area now occupied by a stairwell. A replacement fully enclosed stairwell will be added on the rear exterior wall. A design contract has been executed and a loan application for the cost of the project has been initiated with CHFA, which holds the first mortgage.

ASSET MANAGEMENT

Lawnhill Terrace 3: Awaiting final lender approval for conversion to permanent financing, expected late May or early June.

Park 215, (Phase IV Vidal Court Revitalization): Over half of the commercial space is leased and medical offices there are in operation. A non-profit service provider has recently expressed strong interest in the remaining commercial space. We have worked closely with this organization to show the space, provide operational details, and offered terms for either a sale or long-term lease of the space. We are investigating the possibility installing an electronic gate at the entrance to the residential parking area due to non-residents using the lot. We would offset the cost by charging market rate residents a small monthly parking fee, and also charging those residents with second cars in the lot.

Summer Place – Siding Repair of Adjacent Building: The two buildings on either side of Summer Place are built on the lot lines and are built out to the street frontage. Summer Place is set back from the street with its parking area in front. A significant amount of the exterior siding on one of the adjacent buildings (1010 Summer Street) has detached and fallen into our parking area. We provided the 1010 owner with a temporary license and indemnity agreement, allowing workers to access our property to make the required repairs while protecting us from liability. A building permit was issued for the repair work on May 16 and work is scheduled to commence soon.

Conversion of COC Public Housing Portfolio: Applications for Rental Assistance Demonstration (RAD) conversion of Ursula Park Townhouses, Sheridan Mews, Lawn Avenue, and CT Avenue, and for the 33 public housing units at Fairgate to Section 8 project-based vouchers have received preliminary approval. Repairs which recent needs assessments call for in the first five years following RAD conversion must be done shortly after conversion. We estimate the cost of those repairs at approximately \$1.6 million for the four COC developments, which will be funded from either the proceeds of scattered site property sales or existing public housing reserves. Repairs at Fairgate will be funded from existing project reserves. HUD has recently required that the capital needs assessments be updated because they were completed over six months ago. That process is almost complete. HUD is also requiring additional documentation for the CT Avenue site, which has caused delays in completing the conversions. We remain hopeful of closing all the first-round RAD conversions this summer. Site work starting shortly at Lawn Avenue will be funded initially by HUD capital funds until the closing of the RAD conversion. At that point, remaining capital funds will be transferred to the RAD budget and remaining site work will become part of the overall scope of RAD rep

For the remaining 249 units, which includes Stamford Manor (215 units), and the public housing units within Post House, Taylor Street, Palmer Square, Greenfield, and Park 215, we will pursue conversion to Section 8 under the Streamlined Voluntary Conversion program, which is available for portfolios under 250 units. The simpler streamlined process has two significant advantages: Full Section 8 rental assistance is provided for every resident household, and HUD does not require a specific program of repairs. The revenue increase would be quite large, allowing reserves to be built up and providing an ability to fund repairs and improvements over time.

Taylor Street: An owner-occupant that previously rented out their unit in violation of deed restrictions has moved back in. The legal case remains open in pursuit of significant fines, although that owner has now admitted to being absent for an extended period. Taylor Street is approaching the end of its fifteen-year tax credit compliance period (12/2022). We have begun discussions with Blackstone, which purchased AIG's limited partnership interest effective January 1, regarding Year 15 issues. At a recent meeting of the condominium association, COC was selected to continue to provide property management services. A physical needs assessment is in the planning stages and various repair and improvement projects are under consideration by COC and the condominium association.

Leasing of Higher End Affordable Units: Eligibility under the Low-Income Housing Tax Credit Program (LIHTC) extends through households earning up to 60% of the area median income (AMI). In Stamford, the maximum income for a family of four is currently \$108,000, (60% of the Area Median). While there is almost always significant demand for LIHTC units in the separate category for households under 25% of AMI, there are fewer applications submitted by households at the higher end of the 26% - 50% AMI category, and within the 51% - 60% AMI category. We use a private leasing agent, NewBridge Realty, to aid the marketing of affordable units reserved for the 50% - 60% AMI range, and COC has strengthened its marketing effort to this income category, as well. The recent increase in the AMI of almost 20% is much larger than the typical annual increase. This will increase the maximum eligible income in each income tier and allow higher rents to be charged if landlords choose to impose them, and if the market will support such increases.

Year 15 Tax Credit Project Planning: As tax credit projects approach their fifteenth year of operations, it is necessary to prepare for the exit of the investor limited partner, which typically exits between years thirteen and fifteen of operations. Taylor Street and Post House are the two oldest tax credit developments in our portfolio, and we are focusing on these two sites initially. Discussions are under way with the investor limited partners, with the goal of transfer of their interest to the General Partner, which in each case is an entity owned by Rippowam Corporation. Debt remaining at Taylor Street will be approximately \$400,000 at the time of partnership dissolution, and approximately \$2 million at Post House. Both developments can be refinanced for amounts sufficient to pay off the existing loans and fund any needed capital items, including energy efficiency improvements.

UPCOMING TRANSACTIONS AND TASKS

COVID-19: Address higher than anticipated rent delinquency levels. Submit FEMA funding application for the first quarter of 2021. Monitor any new or modified federal and state rent relief programs and assist COC in implementation.

992 Summer Street: Monitor repair work at the adjacent 1010 Summer Street. Continue to facilitate communication and coordination between COC property managers and Inspirica service provider team. Determine appropriate use for space previously planned for medical clinic for residents. Work with Inspirica to utilize the growing balance in the supportive services reserve.

Park 215: Continue marketing effort to obtain tenants for remaining available commercial space. Coordinate commercial tenant fit-out process. Consider installing a gate to limit unauthorized parking and charging a monthly parking fee to market rate residents.

Rippowam Manor: Lease the few remaining vacant units. Coordinate close-out of renovations, City sign-off, and close supplemental loan supported by post-rehab rents.

Glenbrook Manor: Coordinate completion of renovations, conversion to permanent financing, and leasing of vacant units.

Lawnhill Terrace 3: Complete project close-out.

Lawnhill Terrace 4: Oversee renovations, leasing of units upon completion, and project close-out.

Oak Park: Coordinate work of selected design team, engage with residents and land use approval boards, and prepare 9% tax credit comprehensive plan. Implement selected emergency repairs.

Wait List Management Improvement: Working with COC, develop improvements in marketing and recruitment of applicants, in evaluating applicant eligibility, and in keeping applicants eligible and interested while on the waiting lists. Coordinate use of private real estate agents.

Year 15 Preparation: Hold discussion with investor limited partners for Taylor Street and Post House regarding the investor's exit from the limited partnership.

PORTFOLIO PERFORMANCE

Market rate occupancy levels continue strong, with larger than usual rent increases for new tenants and lease renewals. A significant amount of unpaid rent resulting from the Covid pandemic has been recaptured through the COC and State rent relief programs. Demand and occupancy continues strong at the fully affordable developments in the Rippowam Corp. portfolio: Post House, Taylor Street, Clinton Manor, Quintard Manor, Summer Place, Rippowam Manor, Glenbrook Manor, and Lawnhill Terrace 1, 2 and 3, although unpaid rent remains significant at some sites, especially Lawnhill Terrace 2 and Oak Park. Rippowam staff work very closely with property managers from COC and Stone Harbour Management, and with Family Centers, which provides supportive services for all sites in our portfolio.